

DEVELOPMENT OF THE EMPLOYER TRAINING EXPENDITURE SURVEY

PHONE INQUIRIES

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MAIL INQUIRIES

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A new survey of employer training expenditure is being conducted by the Australian Bureau of Statistics (ABS) in 1989. It will be repeated, on a larger scale, in 1990. This survey will provide the most extensive data on training expenditure available in Australia.

1 PURPOSE OF THE SURVEY

The Training Expenditure Survey will provide national estimates of the cost to employers for the formal training of their employees.

This important information will be used by governments, industry and employer associations, trade unions, education and training institutions, and employers, to analyse Australia's training effort. The results will provide a basis for the development of strategies and programs in relation to training and skill enhancement.

2 SURVEY CONTENT

The survey is designed to gather information on the cost of the development, delivery, evaluation and administration of **formal training**.

Formal training is defined as all training activities which have a structured plan and format designed to develop job related skills and competence.

By contrast, informal training, that is, unstructured on-the-job training, being shown how to do things as the need arises or learning by doing a job, is excluded from the scope of the survey.

Although the ABS recognises that informal training is an important factor in improving job performance, the collection of such data is not being undertaken because of the considerable difficulties associated with its measurement.

Data Items

Employers selected in the survey are asked to provide the following data on the costs incurred in training their employees.

All Employees

- The total number of employees and their gross wages and salaries.

Trainees

- Wages and salaries of employees for the time spent receiving training for ten separate fields of in-house and external formal training.
- Time spent by employees receiving formal training, as above.

Trainers

- Wages and salaries for time spent by employees providing formal training for other employees.
- Training fees paid to consultants and training institutions.

Other Training Costs

- Other expenditure on materials, equipment, travel, accommodation and training rooms, for both in-house and external training.
- Contributions to training institutions.

Training Subsidies

- Subsidies and grants received from government and other sources.

Data is also collected on:

- number of apprentices or Australian Traineeship System trainees; and
- whether employers are meeting the cost of Higher Education Contribution Scheme charges in any way.

3 SURVEY DESIGN

As the ABS had not previously conducted a statistical collection in this area, a feasibility study was undertaken during 1988 to assess the viability of collecting training expenditure data. The study considered a wide range of user requirements and field tested employers' ability to provide specific items of training data.

The main findings of the feasibility study were:

- a survey could be conducted if confined to formal training only;
- records for few of the required data items were readily available; and
- to report quality data, employers would need to be notified in advance to enable records to be kept during the reference period.

The findings of the feasibility study were then used to develop a statistical framework, formulate a set of concepts and definitions, and devise a methodology for collecting and processing the required data. In designing the survey, special consideration was given to the requirements of respondents in view of their difficulty in supplying the required data.

As a result, a number of important features were incorporated into the design of the survey.

- A reference period of three months - July to September - was chosen for the survey in preference to a full year, to reduce the time and effort required of respondents, and to promote high quality data.
- In the lead up to the survey, employers were contacted and notified of their selection, and provided with a Guide which contained a specimen questionnaire. The Guide also included explanation of the concepts and definitions and some examples of worksheets to assist in the recording of data during the reference period.
- The ABS obtained from each employer the name of a contact person to whom the survey questionnaire could be mailed in late September for return by mid October.

- In situations where respondents expected to encounter reporting difficulties, particularly the case for large and complex organisations, detailed discussions were organised in advance of the reference period. These discussions, through meetings and seminars, covered a number of issues including the statistical unit for the survey, concepts and definitions and sources of data within the organisation for each survey data item. In many cases special reporting arrangements were established to assist employers in supplying the survey data.

Despite the difficulties that the feasibility study revealed, respondents in the survey have been co-operative and willing to provide the information sought.

Sample Design

The sample of employers selected in the survey is taken from the ABS register of businesses which lists approximately 350,000 Australian enterprises. For the 1989 Training Expenditure Survey approximately 2,000 employers are in the sample. For the 1990 survey 6,000 employers will be included.

For the purpose of the survey, employer statistical units have been defined to encompass all activities of an enterprise in a State. The industry allocated to each unit reflects the predominant industry in each State. In a small number of cases, where an enterprise has significant employment in more than one industry, a separate unit is created for each industry.

The employer units are stratified according to sector (public and private), industry (Australian Standard Industry Classification) and size, and selected at random from each stratum.

4 RESULTS

The ABS aims to release results of the 1989 Training Expenditure Survey early in 1990.

Survey results will be produced from the 1989 survey in the form of:

- training expenditure as percentages of gross wages and salaries;
- training expenditure per employee; and
- training hours per employee.

Estimates to be produced will include:

- components of training expenditure, including the gross wages and salaries cost of training, total in-house and external training expenditure, training fees etc;

- gross wages and salaries, and hours, for trainees according to the type of training being received;
- number of employers providing training; and
- average training expenditure statistics for only those employers providing training as well as averages for all employers.

These results will be released at the following levels:

- total private and public sectors;
- sector by three employment size categories; and
- sector by broad industry categories based on the Australian Standard Industry Classification.

For examples of the type of tables the survey will produce see below. Other tables will also be produced.

Survey results will be released in *Employer Training Expenditure, Australia, 1989* (6353.0), priced at \$15.00.

Customised tables to suit individual client requirements will also be available.

The results of the 1990 Training Expenditure Survey will follow a similar format to the 1989 survey. The increased size of the sample will enable more detailed estimates to be released.

For more information about the Training Expenditure Survey, contact Mr Terry Sharp, Employer Training Expenditure Section, on (062) 52 7136.

IAN CASTLES
Australian Statistician

The following tables illustrate the type of statistics the Training Expenditure Survey will produce

**AVERAGE EMPLOYER TRAINING EXPENDITURE
INDUSTRY BY SIZE OF EMPLOYER
(% of gross wages and salaries)**

Industry	NUMBER OF EMPLOYEES		
	1-20	21-100	101+
Mining			
Manufacturing			
Electricity, gas and water			
Construction			
Wholesale and retail trade			
Transport and storage			
Communication			
Finance, business and property services			
Public administration			
Community services			
Recreation and other services			
Total all industries			

**AVERAGE TRAINING EXPENDITURE
BY SECTOR
(% of gross wages and salaries)**

<i>Components of expenditure</i>	<i>PRIVATE SECTOR</i>	<i>GOVERNMENT SECTOR</i>
Trainees' wages and salaries for training time		
Trainer Costs		
Employees' wages and salaries for training time		
Fees to consultants and institutions		
Other expenditure		
Training equipment		
Travel, accommodation and meals		
Training rooms		
Payments to industry bodies		
Other		
Total training expenditure		
Training subsidies received		
Net training expenditure		

**AVERAGE EXPENDITURE FOR EMPLOYERS WITH TRAINING
BY FIELD OF TRAINING
(hours and expenditure per employee)**

	<i>TYPE OF FORMAL TRAINING</i>			
	<i>IN-HOUSE</i>		<i>EXTERNAL</i>	
	<i>HRS</i>	<i>\$</i>	<i>HRS</i>	<i>\$</i>
<i>Trainees' field of training</i>				

Induction
 General supervision
 General computing skills
 Health and safety
 Management and professional
 Technical and para-professional
 Trade and apprenticeship
 Clerical/office, sales and personal service
 Plant and machinery operating/driving, labouring etc
 Other
 Total all fields of training

